

Message Text

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ACTION L-03

INFO OCT-01 ARA-16 ISO-00 AID-20 EB-11 IGA-02 CIAE-00

INR-11 NSAE-00 RSC-01 JUSE-00 DRC-01 /066 W

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R 301935Z SEP 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1604

LIMITED OFFICIAL USE SANTO DOMINGO 4011

E.O. 11652: N/A

TAGS: EAID, DR

SUBJECT: ELEVENTH-HOUR SETTLEMENT OF SECTION 620 (C) LAWSUIT AGAINST
AID TO THE DOMINICAN REPUBLIC

REF : A) SD 3804

B) STATE 200645

C) SD 3725

1. THE POTENTIALLY PRECEDENT-SETTING LAWSUIT OF INTERNATIONAL
GRAPHICS, INC., ENJOINING THE USG, UNDER SECTION 620 (C) OF
THE FAA, FROM GIVING FURTHER FOREIGN ASSISTANCE TO THE
DOMINICAN REPUBLIC WAS SETTLED ON SEPTEMBER 27, 1974, THE
DATE IT WAS TO COME TO TRIAL IN SAN JUAN.

2. PEDRO MORALES TRONCOSO, SECRETARY OF STATE WITHOUT PORTFOLIO,
DIRECTOR OF NATIONAL TOURISM, AND SPECIAL AIDE TO PRESIDENT
BALAGUER, FAILED TO KEEP HIS COMMITMENT TO THE EMBASSY TO
GO TO SAN JUAN THE WEEK FOLLOWING THE POSTPONEMENT OF THE FIRST
HEARING, SEPTEMBER 13, TO MAKE A SETTLEMENT. AFTER ADDITIONAL
PRESSURE FROM THE EMBASSY, HE ARRIVED IN SAN JUAN THE NIGHT OF
SEPTEMBER 26 AND MADE A SETTLEMENT THE MORNING OF THE TRIAL.

3. ACCORDING TO A COPY OF THE "STIPULATION OF SETTLEMENT",
WHICH MORALES HAS JUST GIVEN THE EMBASSY,
HE AND HARRY H. WOODS, OF BAKER AND WOODS, ATTORNEYS
FOR THE PLAINTIFF, AGREED TO THE FOLLOWING PAYMENT PLANS:
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(A) JUDGEMENT IN THE AMOUNT OF \$72,837.15 PLUS INTEREST THEREON IN THE AMOUNT OF \$8,162.85, TALLING \$81,000, SHALL BE PAID BY THE GODR AS FOLLOWS: \$16,000 ON OR BEFORE OCTOBER 1, 1974; 10,000 ON THE FIRST OF EACH SUCCEEDING

MONTH THROUGH MARCH 1, 1975; AND 15,000 ON APRIL 1, 1975.

(B) THERE SHALL BE NO INTEREST ON THE DEFERRED BALANCE.

(C) IN THE EVENT THE GODR DEFAULTS ON ANY MONTHLY PAYMENT, THE ENTIRE DEFERRED BALANCE, AFTER 10 DAYS, SHALL BECOME DUE AND PAYABLE WITH INTEREST THEREON AT THE RATE OF SIX PERCENT PER ANNUM.

(D) UPON PAYMENT OF THE SUM OF \$81,000, THE ATTACHMENT OF FUNDS OF THE CONSULATE GENERAL OF THE DOMINICAN REPUBLIC, ACCOUNT NUMBER 24-00692-D WITH THE BANCO POPULAR DE PUERTO RICO, MIRAMAR BRANCH, IN THE AMOUNT OF \$6,000, SHALL BE RELEASED, AND SATISFACTION OF JUDGEMENT SHALL BE FILED IN THE US DISTRICT COURT OF PUERTO RICO BY THE ATTORNEYS FOR THE PLAINTIFF.

4. IT WAS THE FAILURE OF THE PLAINTIFF TO ACHIEVE SATISFACTION IN THIS LAWSUIT WHICH GAVE RISE TO THE SECOND LAWSUIT BY THE SAME PLAINTIFF ENJOINING THE USG FROM GIVING FURTHER ASSISTANCE UNDER SECTION 620 (C).

5. THE EMBASSY IS TODAY FURNISHING A COPY OF THE SETTLEMENT TO THE DEPARTMENT.
HURWITZ

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Message Attributes

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